



UNIVERSITÀ DEGLI STUDI DI MILANO
DIPARTIMENTO DI
SCIENZE SOCIALI E POLITICHE

Recent developments in the regulation of work and employment in Italy

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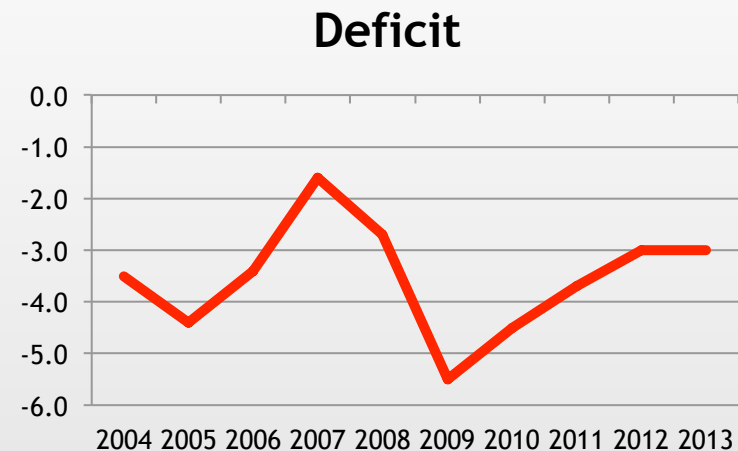
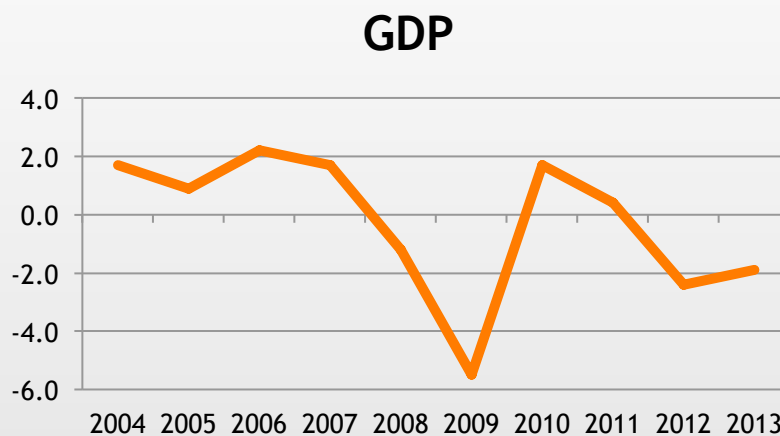
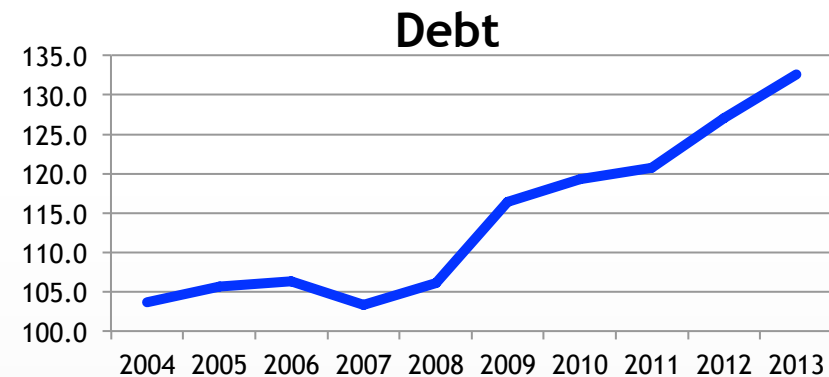
Main economic and IR features

- Dualism in the economic structure and in the labour market (both traditional and 'new' ones)
- Two-tier bargaining structure with a prevalence of industry-wide bargaining, but recent tendency towards decentralisation
- High bargaining coverage (80%), relatively high union density (35%)
- Social concertation with important achievements in the 1990s, but difficulties in the 2000s: new political attitude and emerging divisions between trade unions



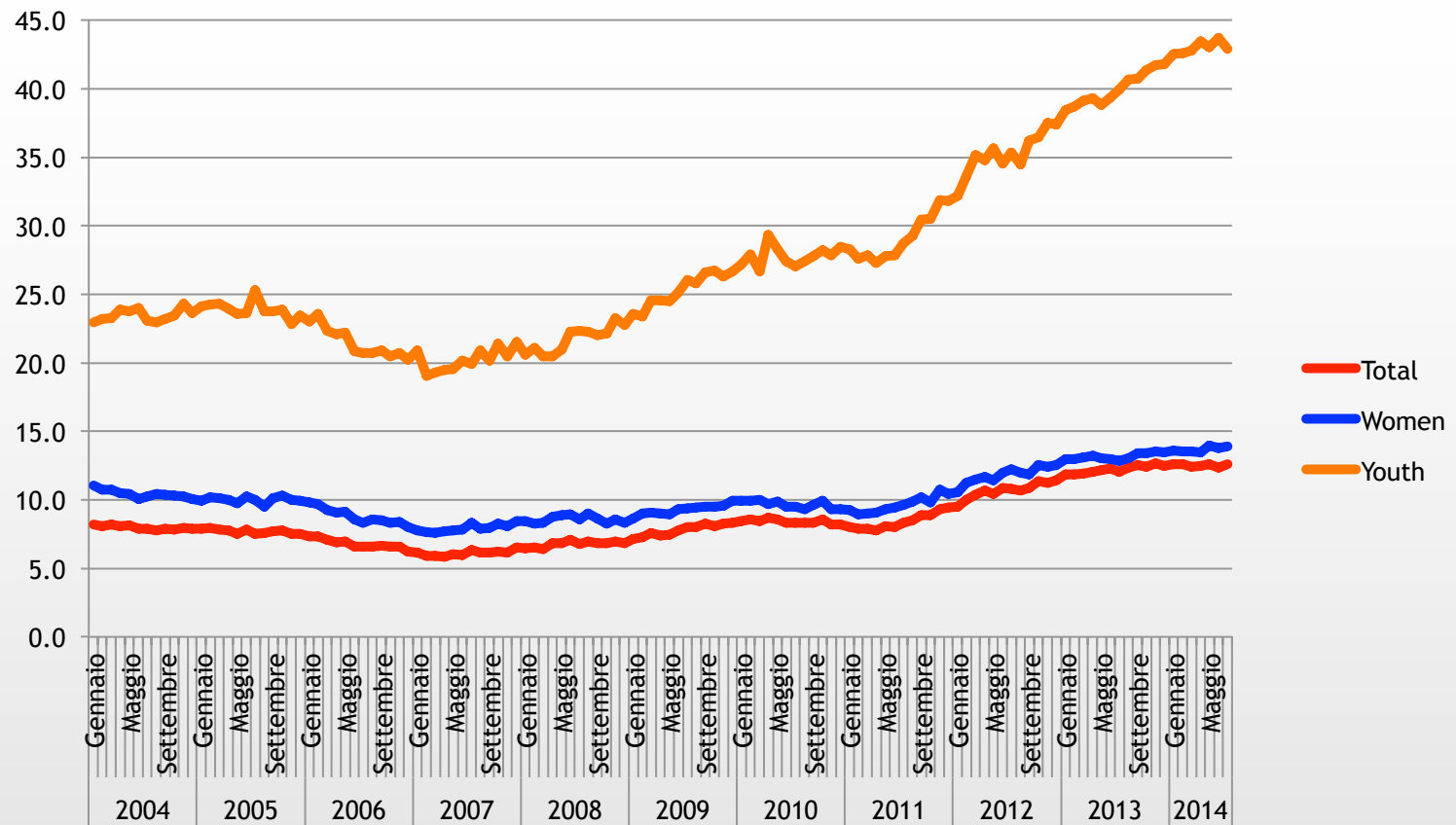
The context

- Economic stagnation
- Increasing unemployment
- Pressure on public finance and spending





The Labour market: unemployment



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Industrial relations

- During the 2000s a division between the main trade union confederations has emerged, especially in the manufacturing sector, which long was the reference for collective bargaining in private manufacturing
- The exit of Fiat from the traditional industrial relations system marked a symbolic break, but not a turning point, in Italian industrial relations (2010-2012)
- The division between the unions and the Fiat case highlighted the issue of representativeness and representation
- In the public sector, suspension of collective bargaining and wage freeze in 2010-2015; halving of time off for union representatives in 2014
- No social concertation of economic and social reforms since 2008

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Main issues and developments

- **Bargaining structure:** ‘separate’ January 2009 central agreement on the reform of the bargaining structure, with Cgil refusing to sign it; November 2012 agreement of productivity wages
- **Legal derogations:** art. 8 of decree law 138/2011
- **Representativeness and bargaining structure:** intersectoral agreements were signed by Confindustria, Cgil, Cisl and Uil in June 2011, May 2013 and January 2014
- **Representation:** July 2013 Constitutional Court Ruling on art. 19 of the Workers’ Statute establishing that unions which participate to negotiations can set up a plant-level structure



Main trends

- Between organised and unorganised decentralisation, although the former seems the prevailing trend as shaped by various intersectoral agreements
- Important role of social partners and collective bargaining in the traditional core sectors
- The economic crisis is putting pressures on some sectors, like the tourism industry
- Attempts to reinforce the role of social partners and collective bargaining in the reform of the social security system
- Some developments at local and company level (restructuring, innovation, welfare), but lack of support from the political arena at national level
- Possible erosion and fragmentation of collective protections

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Conclusions

- Responses to the economic crisis initially followed traditional paths with some elements of innovation and learning potentials through involvement of social partners at sectoral and local levels, especially in the provision of income-support and welfare benefits as well as in active labour market policies
- Shift in the bargaining structure to the decentralised level: lower protection? Better chances for gain sharing and higher participation at company-level?
- Increase in ‘external pressures’ and new approach to social concertation: the ‘modernisation’ of social dialogue can in fact reduce its role